

IB05-318

STAMP AND RETURN

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C.

**Streamlined** ITC-T/C-20051102-00460  
WitTel Communications, LLC.

*In the Matter of*

LEUCADIA NATIONAL CORPORATION,  
*Transferor,*

LEVEL 3 COMMUNICATIONS, LLC,  
*Transferee,*

WITTEL COMMUNICATIONS, LLC,  
*Licensee,*

and

VYVX, LLC,  
*Licensee,*

Application for Consent to Transfer Control of  
International Telecommunications Carriers  
Authorized to Provide Global Facilities-Based  
and Global Resale Services and to Transfer  
Control of Domestic Common Carrier  
Transmission Lines, Pursuant to Section 214 of  
the Communications Act of 1934, as Amended

File No. ITC-T/C-20051102-\_\_\_\_\_  
ITC-T/C-20051102-\_\_\_\_\_

WC Docket No. 05-\_\_\_\_\_

RECEIVED

NOV - 2 2005

Federal Communications Commission  
Office of Secretary

**CONSOLIDATED APPLICATION—  
STREAMLINED PROCESSING REQUIRED**

Pursuant to Section 214 of the Communications Act of 1934, as amended (the "Act"), and Sections 63.04 and 63.18(e)(3) of the Commission's rules, Leucadia National Corporation ("Leucadia," FRN No.0006929319), and Level 3 Communications, LLC ("Level 3," FRN No. 0008085136), request that the Commission consent to the transfer of control to Level 3 of the international Section 214 authorizations for global facilities-based and global resale services held

by WilTel Communications, LLC (“WilTel,” FRN No. 0003716511) and Vyvx, LLC (“Vyvx,” FRN No. 0010597771) (collectively, with Leucadia and Level 3, “Applicants”), and WilTel’s domestic common carrier transmission lines.<sup>1</sup> Level 3 and its affiliates have entered into an agreement with Leucadia and its affiliates to acquire substantially all of the telecommunications businesses of WilTel and Vyvx by purchasing all of the outstanding shares of WilTel’s immediate parent company, WilTel Communications Group, Inc. (“WCG”) (collectively, “Proposed Transaction”).<sup>2</sup> This consolidated application qualifies for presumptive streamlined processing under Sections 63.03(b) and 63.12 of the Commission’s rules, and the Applicants therefore request such streamlined processing.<sup>3</sup>

## **I. BACKGROUND**

### **A. Parties to the Proposed Transaction**

***Leucadia National Corporation:*** Leucadia is a New York corporation operating as a holding company engaged in telecommunications, banking and lending, and other businesses. Leucadia’s shares are publicly traded on the New York Stock Exchange. It is the ultimate sole owner of WCG, WilTel, and Vyvx.

---

<sup>1</sup> See 47 U.S.C. § 214; 47 C.F.R. §§ 63.04, 63.18(e)(3). Section 63.04(b) of the Commission’s rules permits the Applicants to file a joint transfer and/or assignment applications for domestic and international Section 214 authorizations. See also *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations, Report and Order*, 17 FCC Rcd. 5517 (2002).

<sup>2</sup> Concurrent with this application, the Applicants have applied for Commission consent to transfer to Level 3 WilTel’s joint interest in the cable landing license for the China-U.S. Cable Network, as well as Vyvx’s terrestrial wireless licenses and satellite earth station authorizations.

<sup>3</sup> See 47 C.F.R. §§ 63.03, 63.12.

***WilTel Communications Group, LLC:*** WCG is a Nevada limited-liability company that acts as a holding company engaged in the business of telecommunications. WCG is an indirect wholly-owned subsidiary of Leucadia.

***WilTel Communications, LLC:*** WilTel is a Delaware limited-liability company headquartered in Tulsa, Oklahoma, and the wholly-owned, operating subsidiary of WCG. WilTel is a leading provider of customized communications services—including voice, data, and IP-based services—for enterprise and carrier customers. WilTel operates or manages a next-generation fiber-optic network connecting 118 cities in the United States and extending internationally to Europe, Mexico, and the Pacific Rim. WilTel is a non-dominant carrier that holds authority to provide intrastate interexchange telecommunications services in all 50 states and competitive local exchange telecommunications services in fewer than five states. WilTel holds a single international Section 214 authorization granted by the Commission.<sup>4</sup> WilTel also holds a joint interest in the cable landing license for the China-U.S. Cable Network (“CUSCN”), which it seeks to transfer to Level 3, and a joint interest in the cable landing license for the Japan-U.S.-Cable Network (“JUSCN”), which it seeks to relinquish.<sup>5</sup>

***Vyvx, LLC:*** Vyvx is a Delaware limited-liability company headquartered in Tulsa, Oklahoma, and a wholly-owned operating subsidiary of WilTel. Vyvx provides interstate interexchange and international media transmission services. Vyvx holds a single international

---

<sup>4</sup> See FCC File Nos. ITC-214-19970115-00025; ITC-T/C-20020927-00480.

<sup>5</sup> On October 20, 2005, WilTel applied for Commission consent to modify the cable landing license for the JUSCN and to relinquish WilTel’s joint interest in that license, as WilTel holds equity and voting interests of less than 5 percent in the JUSCN and does not own or control a JUSCN cable station. See 47 C.F.R. §§ 1.767(h) (requiring only that parties owning or controlling a 5-percent-or-greater equity interest in an undersea cable system or owning or controlling a cable station need be cable landing licensees), (m)(2) (specifying relinquishment procedures).

Section 214 authorization granted by the Commission.<sup>6</sup> Vyvx also holds numerous terrestrial wireless licenses and satellite earth station authorizations.

***Level 3 Communications, LLC:*** Level 3 is a Delaware limited-liability company headquartered in Broomfield, Colorado, and engages in the provision of domestic and international communications and information services. Level 3 is an indirect, wholly-owned subsidiary of Level 3 Communications, Inc., a Delaware corporation headquartered in Broomfield, Colorado, and a global communications and information services company that offers a wide range of communications services over its 23,000 mile broadband fiber optic network, including Internet-protocol-based services, broadband transport, collocation services, and patented Softswitch-based managed modem and voice services. Level 3 Communications, Inc., is a publicly traded company listed on NASDAQ (symbol: LVLT).

#### **B. The Proposed Transaction**

On October 30, 2005, Leucadia and its affiliates and Level 3 and its affiliates entered into a Stock Purchase Agreement (“Agreement”) to allow Level 3 to acquire all of the outstanding shares of WCG and, therefore, control of WilTel and Vyvx, including: (1) WilTel’s international Section 214 authorization for global facilities-based and global resale services; (2) WilTel’s foreign subsidiaries in Canada, Japan, the Netherlands, and the United Kingdom; (3) WilTel’s domestic common carrier transmission lines; (4) WilTel’s joint interest in the cable landing license for the China-U.S. Cable Network; (5) Vyvx’s international Section 214 authorization; (6) Vyvx’s satellite earth station authorizations; and (7) Vyvx’s terrestrial wireless licenses.<sup>7</sup> Under the terms of the Agreement, WilTel and Vyvx will continue to operate their facilities and provide service to their existing customers, ensuring a seamless transition for those customers.

---

<sup>6</sup> See FCC File No. ITC-214-20050907-00365.

Level 3's acquisition of WCG, WilTel, and Vyvx will strengthen and expand Level 3's customer service offerings and networks. The acquisition also will allow Level 3 to compete more effectively with in the market. Accordingly, approval of this transfer application will serve the public interest, convenience, and necessity.

## **II. MARKET ANALYSIS**

### **A. LOCAL EXCHANGE AND EXCHANGE ACCESS SERVICES**

The Proposed Transaction will have no impact on any participant's share of the local exchange and exchange access market segments. WilTel does not provide any local exchange or exchange access services, while Level 3 is a very minor participant in local exchange and exchange access markets, where it competes with unaffiliated dominant local exchange carriers ("LECs"). Even if Level 3 derived all of the communications revenue (excluding interexchange revenue and reciprocal compensation revenue) reported in the 2004 10-K for Level 3 Communications, Inc., from local exchange and exchange access (when in fact, it derived only a fraction of its revenues from such services), Level 3's revenues would likely account for less than one percent of all nationwide local exchange and exchange access revenues.<sup>8</sup>

### **B. INTERSTATE INTEREXCHANGE SERVICES**

The Proposed Transaction will not significantly affect any participant's share of the interstate interexchange market segment. Both WilTel and Level 3 are insignificant participants in the market for interstate interexchange services. In 2003, the most recent year for which the Commission has publicly disclosed revenue data, WilTel's toll revenues (of which only a portion are interstate interexchange revenues), generated primarily in the highly competitive private line,

---

<sup>7</sup> The Applicants have attached a copy of the Agreement as Exhibit A to this application.

<sup>8</sup> See 2004 Form 10K, Item 7, of Level 3 Communications, Inc.; FCC, STATISTICS OF COMMUNICATIONS COMMON CARRIERS, at 202, Tbl. 5.20 (2003/2004 ed.) (providing 2002 data); FCC, TRENDS IN TELEPHONY SERVICE, Tbl. 8.7 (2005) (providing 2003 data). A direct year-to-year comparison is not possible, as the FCC's reports do not include 2004 data.

data, and switched voice toll service sector, totaled \$1.112 billion.<sup>9</sup> Level 3's toll revenues in 2003 (only a portion of which are interstate interexchange revenues) were slightly over \$134 million.<sup>10</sup> By comparison, total industry-wide toll revenues for all in 2003 exceeded \$77 billion, and total revenues for all non-LEC, non-wireless toll service providers exceeded \$56 billion.<sup>11</sup> Thus, even assuming that all WilTel and Level 3 toll revenues were interstate interexchange revenues (and they are not), the combined interexchange revenues of WilTel and Level 3 would amount to no more than 2.2 percent of total industry-wide toll revenues, and even less than that percentage if all non-LEC, non-wireless toll services are included. Neither WilTel nor Level 3 nor any affiliate of WilTel or Level 3 is regulated as dominant for the provision of any service.

**III. INFORMATION REQUIRED BY SECTION 63.18 OF THE COMMISSION'S RULES REGARDING THE TRANSFER OF CONTROL TO LEVEL 3 OF THE INTERNATIONAL SECTION 214 AUTHORIZATIONS FOR GLOBAL FACILITIES-BASED AND GLOBAL RESALE SERVICES HELD BY WILTEL AND VYVX**

The following is provided under Section 63.18 of the Commission's rules in support of the Applicants' request for consent to transfer control to Level 3 of the international Section 214 authorizations of WilTel and Vyvx:

(a) The name, address, and telephone number of the Applicants are:

**Transferor**

LEUCADIA NATIONAL CORPORATION  
315 Park Avenue South, 20th Floor  
New York, New York 10010  
+1 212 460 1900

FRN No. 0006929319

**Transferee**

LEVEL 3 COMMUNICATIONS, LLC  
1025 Eldorado Blvd.  
Broomfield, Colorado 80021  
+1 720 888 2516

FRN No. 0008085136

---

<sup>9</sup> *Id.*, Tbl. 9.1.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

(b) Leucadia is a corporation organized under the laws of the State of New York.

Level 3 is a limited liability company organized under the laws of the State of Delaware.

(c) Correspondence concerning this application should be sent to:

**Transferor**

Adam Kupetsky  
Regulatory Counsel  
WILTEL COMMUNICATIONS, LLC  
One Technology Center, Level 15  
Tulsa, Oklahoma 74103  
+1 918 547 2764 tel  
+1 918 547 9446 fax

*with a copy to:*

Mark D. Schneider  
SIDLEY AUSTIN BROWN & WOOD, LLP  
1501 K Street, N.W.  
Washington, D.C. 20005  
+1 202 736 8058 tel  
+1 202 736 8711 fax

*Counsel for  
Leucadia National Corporation*

**Transferee**

William P. Hunt III  
Vice President, Public Policy  
Cindy Z. Schonhaut  
Director, Federal Regulatory Affairs  
LEVEL 3 COMMUNICATIONS, LLC  
1025 Eldorado Boulevard  
Broomfield, Colorado 80021  
+1 720 888 2516 tel (Hunt)  
+1 720 888 2794 tel (Schonhaut)  
+1 720 888 5134 fax

*with a copy to:*

Kent D. Bressie  
HARRIS, WILTSHIRE & GRANNIS LLP  
1200 18th Street, N.W., Suite 1200  
Washington, D.C. 20036-2560  
+1 202 730 1337 tel  
+1 202 730 1301 fax

*Counsel for Level 3 Communications, LLC*

(d) WilTel holds the following Section 214 authorizations:

- (1) ITC-214-19970115-00025 (international Section 214 authorization to provide global facilities-based service and global resale services).<sup>12</sup>

<sup>12</sup> See *Overseas Carrier Section 214 Applications Actions Taken, Public Notice*, 12 FCC Rcd. 3771 (Int'l Bur. 1997) (granting international Section 214 authority to Vyvx, Inc., later re-named Williams Communications, Inc.); *International Authorizations Granted, Public Notice*, 16 FCC Rcd. 3939, 3942 (2001) (noting *pro forma* assignment to Williams Communications, LLC); *International Authorizations Granted, Public Notice*, 17 FCC Rcd. 21,144, 21,147 (2002) (granting consent for transfer of Williams Communications, LLC, from Williams Communications Group, Inc. (Debtor-in-Possession) to WCG); FCC File No. ITC-T/C-20020927-00480; *International Authorizations Granted, Public Notice*, 18 FCC Rcd. 20,423, 20,425 (2003) (consenting to transfer of control of international Section 214 authorization of Williams Communications, LLC, from WilTel Communications Group, Inc.,

(2) Domestic blanket Section 214 authorization.<sup>13</sup>

Vyvx holds an international Section 214 authorization, FCC File No. ITC-214-20050907-00365, to provide global facilities-based and global resale services.<sup>14</sup>

The Commission has previously granted to Level 3 international Section 214 authority to provide global facilities-based and global resale services between the United States and international points.<sup>15</sup> The Commission has not regulated Level 3 as dominant for the provision of services on any international route.

(e)(3) The Applicants seek Commission consent to assign the international Section 214 authorizations listed in part II(d) above.

(f) No response is required.

(g) No response is required.

(h) Level 3 is a wholly-owned subsidiary of Level 3 Financing, Inc. ("Level 3 Financing"), a Delaware corporation engaged in the business of providing managed information technology infrastructure services across a variety of platforms. Level 3 Financing's address is 1025 Eldorado Boulevard, Broomfield, Colorado 80021. Level 3 Financing, in turn, is a wholly owned subsidiary of Level 3 Communications, Inc., a Delaware corporation which offers a wide range of communications services over its 23,000-mile broadband fiber optic network, including

---

to Leucadia National Corporation and noting name change to WiTel Communications, LLC). Concurrent with this application, WiTel filed a letter with the Commission relinquishing two international Section 214 authorizations. *See* Letter from Adam Kupetsky, WiTel Regulatory Counsel, to FCC Secretary Marlene H. Dortch, FCC File Nos. ITC-95-191 ITC-95-245 (Nov. 1, 2005).

<sup>13</sup> *See* 47 C.F.R. § 63.03.

<sup>14</sup> *See International Authorizations Granted, Public Notice*, DA 04-2697 (rel. Oct. 13, 2005).



IP-based services, broadband transport, collocation services, and patented Softswitch-based managed modem and voice services. The address of Level 3 Communications, Inc., is 1025 Eldorado Boulevard, Broomfield, Colorado 80021. Three parties hold a ten-percent-or-greater direct or indirect interest in Level 3 Communications, Inc:

(1) Southeastern Asset Management, Inc. ("SAM"): SAM is a Tennessee corporation engaged in the business of providing investment advisory services and located at 6410 Poplar Avenue, Suite 900, Memphis, Tennessee 38119. SAM holds sole or shared voting rights for 22.15 percent of outstanding shares of Level 3 Communications, Inc., that are otherwise owned by other entities for whom SAM acts as an investment advisor, including shared voting rights for the shares owned by Longleaf Partners Fund ("LPF"). Other than LPF, none of the other owners of outstanding shares of Level 3 Communications, Inc., whose shares are voted by SAM owns a 10-percent-or-greater direct or indirect interest in Level 3 Communications, Inc.

(2) Longleaf Partners Fund: LPF is a Massachusetts business trust engaged in the business of investment and located, in care of SAM, at 6410 Poplar Avenue, Suite 900, Memphis, Tennessee 38119. LPF owns 11.8 percent of the outstanding shares of Level 3 Communications, Inc., and shares with SAM the voting rights for those shares.

(3) Legg Mason, Inc. ("Legg Mason"): Legg Mason is a Maryland corporation engaged, through its subsidiaries, in providing financial services, including investment advisory

---

<sup>15</sup> See FCC Public Notice, *Overseas Common Carrier Section 214 Applications Actions Taken*, 13 FCC Red. 3098, 3101 (Int'l Bur. 1998); File No. ITC-214-19971229-00821 (previously File No. ITC-98-016).

services, securities brokerage services, and capital markets services. Legg Mason is located at 100 Light Street, Baltimore, Maryland 21202. In aggregate, two subsidiaries of Legg Mason vote 10.776 percent of outstanding shares of Level 3 Communications, Inc., that are otherwise owned by other entities for whom the subsidiaries act as an investment advisor. These subsidiaries are: (1) Legg Mason Capital Management, Inc. ("LMCM"), which holds a 5.764 percent voting interest, and (2) LMM, LLC ("LMM"), which holds a 5.012-percent voting interest. LMCM is a wholly-owned subsidiary of Legg Mason, while LMM is 50-percent owned by Legg Mason.

None of these three parties holding a ten-percent-or-greater direct or indirect interest in Level 3 Communications, Inc., holds a seat on the board of directors of Level 3 Communications, Inc.

Level 3 has the following interlocking directorates with foreign carriers:

- Brian Hedlund, who is an Assistant Secretary of Level 3, is also a Secretary of Level 3 Communications (Austria) Limited, a Secretary of Level 3 Communications (Denmark) Limited, a Secretary of Level 3 Communications Ltd. (Ireland), and a Secretary of Level 3 Communications Limited (United Kingdom);
- Andrew E. Ottinger, Jr., who is Vice President of Level 3, is also a Secretary of Level 3 Communications Limited (UK) and an Assistant Secretary of Level 3 Communications Ltd. (Ireland); and
- Robert M. Yates, who is a Senior Vice President and Assistant General Counsel of Level 3, is also is a Director of Level 3 Communications (Austria) Limited, a Director of Level 3 Communications S.A. (Belgium), a Director of Level 3 Communications (Denmark) Limited, a Director of Level 3 Communications S.A.S. (France), a Director of Level 3 Communications GmbH (Germany), a Director of Level 3 Communications Limited (Ireland), a Director of Level 3 Communications S.R.L. (Italy), a Director of Level 3 Communications B.V. (the Netherlands), a Director of Level 3 Communications SLU (Spain), a Director of Level 3 Communications A.B. (Sweden), and a Director of Level 3 Communications Limited (United Kingdom).

(i) By the attached certification, Level 3 certifies that it is affiliated with the following foreign carriers: (1) Level 3 Communications (Austria) Limited; (2) Level 3

Communications S.A. (Belgium); (3) Level 3 Communications c.r.o. (Czech Republic); (4) Level 3 Communications (Denmark) Limited; (5) Level 3 Communications S.A.S. (France); (6) Level 3 Communications GmbH (Germany); (7) Level 3 Communications Limited (Ireland); (8) Level 3 Communications S.R.L. (Italy); (9) Level 3 Communications B.V. (the Netherlands); (10) the Warsaw branch office of Level 3 Communications GmbH (Poland); (11) Level 3 Communications SLU (Spain); (12) Level 3 Communications A.B. (Sweden); (13) Level 3 Communications AG (Switzerland); and (14) Level 3 Communications Limited (United Kingdom) (collectively, "Level 3 Foreign Carrier Affiliates"). Following consummation of the Proposed Transaction, Level 3 will also be affiliated with the following foreign carriers: (1) Williams Communications Network, Inc. (Canada); (2) WilTel Communications K.K. (Japan); (3) WilTel Communications (Cayman) Limited (Netherlands); and (4) Williams Communications UK Limited (collectively, "WilTel Foreign Carrier Affiliates").<sup>16</sup> All of the Level 3 Foreign Carrier Affiliates and WilTel Foreign Carrier Affiliates are located in destination markets that are World Trade Organization ("WTO") Members.<sup>17</sup>

(j) By the attached certification, Level 3 certifies that it seeks to provide international telecommunications services from the United States to the destination countries listed in Paragraph (i) above in which an entity that owns more than 25 percent of, or controls, Level 3 controls a foreign carrier in that country, or will do so following the consummation of the Proposed Transaction.

---

<sup>16</sup> Although WilTel Communications (Cayman) Limited is organized in the Cayman Islands, it is authorized to provide telecommunications services in the Netherlands.

<sup>17</sup> See Foreign Carrier Affiliation Notification of Level 3 Communications, LLC, File No. FCN-NEW-20000214-00006 (Feb. 14, 2000); FCC Public Notice, *Foreign Carrier Affiliation Notification*, Rep. No. FCN-00015 (Feb. 24, 2000).

(k) The destination foreign countries listed in Paragraph (i) above are all WTO Members.<sup>18</sup>

(l) On routes between the United States and the foreign countries identified in Paragraph (i) above, the Level 3 Foreign Carrier Affiliates and WilTel Foreign Carrier Affiliates satisfy the requirement of Section 63.10(a)(3) of the Commission's rules.<sup>19</sup> Each Level 3 Foreign Carrier Affiliate or WilTel Foreign Carrier Affiliate holds significantly less than a 50-percent market share in the international transport and local access markets in its respective country. Moreover, no Level 3 Foreign Carrier Affiliate and WilTel Foreign Carrier Affiliate has any ability to discriminate against unaffiliated U.S. international carriers through the control of bottleneck services or facilities in its respective international market. No Level 3 Foreign Carrier Affiliate or WilTel Foreign Carrier Affiliate appears on the Commission's list of foreign telecommunications carriers presumed to possess market power in foreign telecommunications markets.<sup>20</sup> Accordingly, each Level 3 Foreign Carrier Affiliate and WilTel Foreign Carrier Affiliate is presumed to lack sufficient market power on the international end of the route to affect competition adversely in the U.S. market.

(m) Level 3 qualifies for non-dominant status for all foreign routes based upon the information set forth in Paragraph (l) above.

(n) By the attached certification, Level 3 certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S.

---

<sup>18</sup> See World Trade Organization, *Members and Observers* (2005), available at [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/org6\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm).

<sup>19</sup> See 47 C.F.R. § 63.10(a)(3).

<sup>20</sup> See *International Bureau Revises and Reissues the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets*, Public Notice, 19 FCC Rcd. 20,358 (Int'l Bur. 2004) ("Presumed Market Power List").

international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into any such agreements in the future.

(o) By the attached certification, Level 3 certifies that no party to this application is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.<sup>21</sup>

(p) The Applicants seek streamlined processing of this request for consent to transfer control of WilTel's international Section 214 authorization under Section 63.12 of the Commission's rules because: (1) the destination markets of the Level 3 Foreign Carrier Affiliate and WilTel Foreign Carrier Affiliate listed in paragraph (i) above are all WTO Member countries, as demonstrated in (f) above, and each Level 3 Foreign Carrier Affiliate and WilTel Foreign Carrier Affiliate lacks sufficient market power to affect competition adversely in the U.S. market; and (2) Level 3 is not affiliated with a dominant U.S. carrier.

**IV. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES REGARDING THE TRANSFER OF CONTROL OF WILTEL'S BLANKET DOMESTIC SECTION 214 AUTHORIZATION TO LEVEL 3**

In support of the Applicants' request for consent to transfer control of WilTel's blanket domestic Section 214 authorization to Level 3, the following information is submitted pursuant to Section 63.04 of the Commission's rules:

(a)(1) See response to part III(a) above for the names, addresses, and telephone numbers of the Applicants.

(a)(2) See response to part III(b) above for the state laws under which the Applicants are organized.

---

<sup>21</sup> See 21 U.S.C. § 853(a).

(a)(3) See response to part III(c) above for the contact information to whom correspondence concerning this application is to be addressed.

(a)(4) See response to part III(h) above for a list of persons or entities that directly or indirectly own at least 10 percent of the equity of Level 3, and the percentage of equity owned by each of those entities.

(a)(5) See response to part III(o) above regarding the certification that no party to this application is subject to a denial of federal benefits under the Anti-Drug Abuse Act of 1988, as amended.

(a)(6) A complete description of the transaction is set forth above in part I.B.

(a)(7) WilTel provides private line, switched voice and other interstate services throughout the U.S. pursuant to its blanket domestic Section 214 authorization. Level 3 is engaged in the provision of domestic and international communications and information services throughout the United States. To the extent Level 3 offers domestic interstate common carrier services (including private line services), it does so pursuant to its blanket domestic Section 214 authorization under Section 63.01 of the Commission's rules.

(a)(8) The request for consent to transfer control of WilTel's domestic common carrier lines to Level 3 qualifies for presumptive streamlined processing under Section 63.03(b)(2)(i) of the Commission's rules because it will not create any acquisition-specific effects in any interexchange or local exchange market. Following consummation of the Proposed Transaction, Level 3 will continue to have a market share in the interstate, interexchange market of less than ten percent.<sup>22</sup> Level 3 does not provide telephone exchange services or exchange access services in the areas served by WilTel, and all areas where WilTel

---

<sup>22</sup> See 47 C.F.R. § 63.03(b)(2).

provides such services are served by a dominant local exchange carrier that is not a party to the Proposed Transaction.<sup>23</sup> Neither WilTel nor Level 3 is dominant with respect to any service.<sup>24</sup>

(a)(9) Concurrent with this application, the Applicants have applied for Commission consent to transfer to Level 3 control of: (1) the international Section 214 authorizations held by WilTel and Vyvx; (2) WilTel's joint interest in the cable landing license for the China-U.S. Cable Network; and (3) Vyvx's terrestrial wireless licenses and satellite earth station authorizations.

(a)(10) The Applicants request expedited consideration of this application in order to ensure a seamless transition of WilTel's customers to Level 3 without service interruption.

(a)(11) The Applicants have not filed any waiver requests in conjunction with this transaction.

(a)(12) The proposed transaction will yield affirmative public interest benefits. Grant of this application will provide WilTel and Level 3 access to each others' complementary technical, managerial, financial, and product strengths, which will enhance the companies' ability to expand their offerings and provide more advanced telecommunications services to a broader customer base. Applicants expect the Proposed Transaction will enable both WilTel and Level 3 to strengthen their competitive positions to the benefit of U.S. consumers. Furthermore, Level 3's acquisition of WilTel's international Section 214 authorization for global facilities-

---

<sup>23</sup> See *id.*

<sup>24</sup> See *id.*, § 63.03(b)(2)(i).

based and global resale services and WilTel's other assets (including non-common carrier assets) will allow Level 3 to develop and offer additional advanced services to U.S. customers.



## CONCLUSION

The Applicants respectfully request that the Commission grant this application for consent to transfer control of WilTel and Vyvx, including the international Section 214 authorizations of WilTel and Vyvx and WilTel's domestic common carrier transmission lines.

Respectfully submitted,

LEUCADIA NATIONAL CORPORATION



Joseph Orlando  
Chief Financial Officer and Vice President

315 Park Avenue South, 20th Floor  
New York, New York 10010  
+1 212 460 1900

Mark D. Schneider  
SIDLEY AUSTIN BROWN & WOOD, LLP  
1501 K Street, N.W.  
Washington, D.C. 20005  
+1 202 736 8058 tel

*Counsel for Leucadia National Corporation*

LEVEL 3 COMMUNICATIONS, LLC

John T. Nakahata  
Kent D. Bressie  
Charles D. Breckinridge  
HARRIS, WILTSHIRE & GRANNIS LLP  
1200 18th Street, N.W., Suite 1200  
Washington, D.C. 20036-2560  
+1 202 730 1337 tel

*Counsel for Level 3 Communications, LLC*

William P. Hunt III  
Vice President, Public Policy

1025 Eldorado Boulevard  
Broomfield, Colorado 80021  
+1 720 888 2516 tel

2 November 2005

## CONCLUSION

The Applicants respectfully request that the Commission grant this application for consent to transfer control of WilTel and Vyvx, including the international Section 214 authorizations of WilTel and Vyvx and WilTel's domestic common carrier transmission lines.

Respectfully submitted,

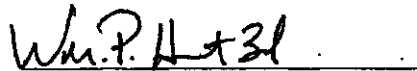
LEUCADIA NATIONAL CORPORATION

Mark D. Schneider  
SIDLEY AUSTIN BROWN & WOOD, LLP  
1501 K Street, N.W.  
Washington, D.C. 20005  
+1 202 736 8058 tel

*Counsel for Leucadia National Corporation*

Joseph Orlando  
Chief Financial Officer and Vice President  
315 Park Avenue South, 20th Floor  
New York, New York 10010  
+1 212 460 1900

LEVEL 3 COMMUNICATIONS, LLC



John T. Nakahata  
Kent D. Bressie  
Charles D. Breckinridge  
HARRIS, WILTSHIRE & GRANNIS LLP  
1200 18th Street, N.W., Suite 1200  
Washington, D.C. 20036-2560  
+1 202 730 1337 tel

*Counsel for Level 3 Communications, LLC*

William P. Hunt III  
Vice President, Public Policy  
1025 Eldorado Boulevard  
Broomfield, Colorado 80021  
+1 720 888 2516 tel


2 November 2005

## CERTIFICATION

I, William P. Hunt III, Vice President of Public Policy for Level 3 Communications, LLC ("Level 3"), hereby certify that:

1. Level 3 is affiliated with the following foreign carriers: (1) Level 3 Communications (Austria) Limited; (2) Level 3 Communications S.A. (Belgium); (3) Level 3 Communications c.r.o. (Czech Republic); (4) Level 3 Communications (Denmark) Limited; (5) Level 3 Communications S.A.S. (France); (6) Level 3 Communications GmbH (Germany); (7) Level 3 Communications Limited (Ireland); (8) Level 3 Communications S.R.L. (Italy); (9) Level 3 Communications B.V. (the Netherlands); (10) the Warsaw branch office of Level 3 Communications GmbH (Poland); (11) Level 3 Communications SLU (Spain); (12) Level 3 Communications A.B. (Sweden); (13) Level 3 Communications AG (Switzerland); and (14) Level 3 Communications Limited (United Kingdom) (collectively, "Level 3 Foreign Carrier Affiliates"). Following consummation of the Proposed Transaction, Level 3 will also be affiliated with the following foreign carriers: (1) Williams Communications Networks, Inc. (Canada); (2) WilTel Communications K.K. (Japan); (3) WilTel Communicaitons (Cayman) Limited (Netherlands); and (4) Williams Communications UK Limited (collectively, "WilTel Foreign Carrier Affiliates"). All of the Level 3 Foreign Carrier Affiliates and WilTel Foreign Carrier Affiliates are located in destination markets that are World Trade Organization Members.
2. Level 3 seeks to provide international telecommunications services from the United States to the destination countries listed in Paragraph (1) above in which an entity that owns more than 25 percent of, or controls, Level 3 controls a foreign carrier in that country, or will do so following consummation of the Proposed Transaction.

3. Level 3 has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into any such agreements in the future.
4. Neither Level 3, nor any party to this application, is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.

  
William P. Hunt III  
Vice President, Public Policy  
LEVEL 3 COMMUNICATIONS, LLC  
1025 Eldorado Boulevard  
Broomfield, Colorado 80021  
+1 720 888 2516 tel

2 November 2005